

Direct-to-Liquidator Solution Cuts Costs, Turns Excess into Cash Fast

\$2M

transportation savings

30%

reduced handling cost

80%

faster turnaround

Background

One of the world's largest home goods e-tailers was getting soaked on their overstock and customer returns. They had a single distribution center (DC) on the East Coast that was filled to capacity. Their operational staff was not skilled in handling returned product and their workforce was trained primarily on forward logistics, not on sorting excess inventory. Further, all returns and overstocks were being sent to that one eastern DC—even product from western-based stores—resulting in enormous transportation costs. Their challenge to us: Decrease our transportation costs, liquidate product faster, improve our cash flow.

Solution

First, we built a custom API that integrated with their technology to cut down on sorting and handling time and labor. This meant that product would be received in better condition because it was subject to fewer manual touches – which meant it could sell at a higher price and yield a higher recovery rate.



Cutting transportation legs and touches was the key to saving this retailer \$2 million a year.

We then separated high-value product from lower-value product to sell as individual units in our proprietary consumer marketplaces (AllSurplusDeals and Secondipity.com) for maximum recovery, as well as on third-party marketplaces like eBay and Walmart.

We resold lower-value product by the truckload to a slate of large professional buyers and last, by the pallet to smaller B2B buyers on our proprietary auction site, Liquidation.com.

Next, we arranged for all their excess to be transported to one of our West Coast facilities instead of their East Coast DC, resulting in significant cuts to their transportation costs, and eliminating one full leg of transportation and handling.

Results

We were able to cut turnaround time from 30 days to 2 days, putting cash in the retailer's pocket sooner. We cut transportation costs by \$2 million a year by eliminating one leg of transportation and handling, plus fuel costs to transport merchandise from their West Coast stores to their Pennsylvania warehouse. We eliminated several touches, saving significant labor and handling costs, and improving their efficiency.



Selling individual units in our direct-to-consumer marketplaces significantly boosted their recovery.

If you're taking a bath on your transportation costs and struggling with a limited slate of secondary market buyers, maybe it's time to outsource your reverse logistics to Liquidity Services, the acknowledged industry leader for almost 25 years. Unlike others, we'll be there when you need us. And because every retail business is unique, you can add on just the solutions you need as your operation scales.



A Better Future for Surplus

Ready to Optimize Your Reverse Logistics?

Talk to Us

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